

Message Text

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PAGE 01 JAKART 08555 111026Z

46

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 FEA-02 AEC-11 AID-20 CEA-02

CIAE-00 CIEP-02 COME-00 DODE-00 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 DRC-01 /140 W

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R 110953Z JUL 74

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 3285

C O N F I D E N T I A L JAKARTA 8555

E.O. 11652: GDS

TAGS: ENRG

SUBJECT: ENERGY: DEMARCHE OPPOSING HIGH OIL PRICES

REF: STATE 148801

1. TIMELY RECEIPT OF REFTEL ENABLED ME TO RAISE OIL QUESTION WITH ACTING FOREIGN MINISTER THAJEB JULY 11. I AM SEEKING APPOINTMENTS WITH SADLI AND WIJARSO IMMEDIATELY FOLLOWING MY RETURN FROM VISIT TO SUMATRA JULY 12-15.

2. IN APPROACH TO THAJEB I SAID HE COULD UNDERSTAND AS FORMER AMBASSADOR TO UNITED STATES OUR DEEP CONCERN OVER IMPACT WORLDWIDE OF OIL PRICE INCREASES. HE COULD ALSO UNDERSTAND PROBLEMS CREATED BY ANNOUNCEMENT OF INDONESIAN INCREASE AT TIME WHEN VARIOUS REQUESTS FOR AID TO INDONESIA UNDER CONSIDERATION. I MADE CLEAR WE WERE NOT LINKING QUESTIONS OF OIL PRICE AND ASSISTANCE BUT I WAS MENTIONING THIS PARTICULARLY TO HIM BECAUSE IT WAS FACT OF LIFE OF WHICH HE WAS WELL AWARE.

3. I THEN REVIEWED POINTS COVERED IN STATE'S 145990 AS AMENDED BY SUBSEQUENT EXCHANGE AND LEFT COPY OF CONFIDENTIAL

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PAGE 02 JAKART 08555 111026Z

TALKING PAPER WITH HIM. (EXACT TEXT OF TALKING PAPER

FOLLOWS IN NEXT TELEGRAM.)

4. THAJEB SAIDIDE UNDERSTOOD PROBLEM. HE WAS NOT DIRECTLY FAMILIAR WITH JUSTIFICATION FOR INDONESIAN PRICE INCREASE BUT UNDERSTOOD FROM DISCUSSIONS IN CABINET MEETINGS THT INDONESIA FELT IT HAD NOT INCREASED PRICES SUFFICIENTLY IN FIRST ROUND AND THAT ITS OIL HAD BEEN UNDERVALUED. I SAID WE HAD INDICATIONS THAT OIL MARKET WAS SOFTENING WHICH I HOPED TO HAVE OPPORTUNITY TO SHARE WITH MINISTRY OF MINES OFFICIALS IN SUBSEQUENT MEETINGS.

5. MINISTER THAJEB SAID HE WOULD BE SEEING PRESIDENT ON SATURDAY AND WOULD ALSO MENTION DEMARCHE TO HIM.
NEWSOM

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, PETROLEUM INDUSTRY, PRICES, FOREIGN POLICY POSITION, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: martinml
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974JAKART08555
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740185-0147
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740758/aaaabxue.tel
Line Count: 76
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: STATE 148801
Review Action: RELEASED, APPROVED
Review Authority: martinml
Review Comment: n/a
Review Content Flags:
Review Date: 24 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 JUL 2002 by elyme>; APPROVED <26 FEB 2003 by martinml>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ENERGY: DEMARCHE OPPOSING HIGH OIL PRICES
TAGS: ENRG, US, ID
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005